Environmental, Social, & Governance Report 2020
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At The Dermot Company, we feel fortunate to do important and rewarding work. We provide housing for thousands of people and we take that responsibility seriously. During the year of the global pandemic and institutional change, we found an even greater purpose in our work. We are proud that our business remained active, open, and supportive of our residents, partners, investors, clients, and communities.

We are even more proud of the hard work and fearless attitude demonstrated by our team in order to show up for our stakeholders and keep our communities operating at the highest level. It hasn’t been easy, and I am extremely appreciative of our Dermot team. Our core strength is our people and the culture we create through our teams. As The Dermot Company turns 30 this year, we reflect back on the roots of our culture. Our founder, Bill Dickey, named the company after his father, Dermot Dickey, an Irish immigrant who came to New York seeking a better life for his family. Today, we are lucky to be a part of this legacy built upon a culture of respect, dedication, benevolence, and transparency.

Transparency has always been a core value at The Dermot Company. We believe that transparency leads to innovation, trust and greater justice in business and in life. With our first annual environmental, social, and governance (ESG) report, we are excited to further this core value by sharing the work we have done to implement and expand our official ESG program. The Dermot Company has committed to incorporating ESG criteria in our business to improve the well-being and diversity of our employees and residents, as well as conducting our business with accountability.

Since the commencement of our ESG program in 2018, we have captured, benchmarked, and monitored building performance data, standardized best practices and strategies through portfolio-level plans and policies, and identified opportunities for improvement. We have engaged our residents and employees through sustainability-focused events and educational seminars. As part of our commitment to transparency, we began reporting to the Global Real Estate Sustainability Benchmark (GRESB), which enabled us to benchmark our performance and use the results to create actionable goals for on-going improvement. We are extremely proud to have increased our score every year since our first submission in 2018.

While 2020 has been a challenging year, we have chosen to focus on the positive impact we can make as a company. Dermot Cares, our initiative to help our communities, has been busy giving back to frontline workers and homeless shelters. We are also very proud of The Dermot Company’s Justice Initiative which was formed as a response to the unacceptable racially disparate outcomes in our society, the disproportionate acts of violence committed against people of color, and now the inspiring show of support for change nationwide.

The Dermot Company recognizes that our business has an impact and we are dedicated to investing, building and operating our portfolio responsibly. We are excited to share our efforts to date, to keep growing our program and integrating ESG into all aspects of our business strategy.

STEPHEN BENJAMIN
Managing Partner | Chief Executive Officer
The Dermot Company is a vertically integrated multifamily owner, operator and developer with 30 years of experience utilizing top-tier national industry best practices. The company is led by Steve Benjamin, Andrew Levison, Drew Spitler, and Robert Kilroy, a senior management team with diverse, personal experience in all aspects of the business. Over its history, The Dermot Company has owned and/or developed more than $3.25 billion of real estate, and our current portfolio of owned assets is approximately $2.4 billion.

*includes owned assets and 3rd party management assignments

Our Properties

New York City
COLORADO
220 EAST 72
21 WEST END
535 W 43RD ST
101 WEST END
THE LANDON NY
THE BUCHANAN
ARABELLA 101
250 EAST HOUSTON
66 ROCKWELL
THE KESTREL
MODA
201 East 86th Street
220 East 72
21 West End Ave
535 W 43rd St
101 West End Avenue
160 East 48th Street
101 Avenue D
250 East Houston
66 Rockwell Place/29 Flatbush Ave
33 Caton Place, Brooklyn
153-30 89th Ave/89-14 Parsons Blvd

North Carolina
POINTE AT CRABTREE
PRESTON VIEW
ADDITION PARK
4800 Waterford Point Drive Raleigh
1000 Stony Court, Morrisville
6225 Hackberry Creek Trail Charlotte

Market:
New York Metro and Southeast/Mid-Atlantic

5,000 Units Managed
71 Full-Time Dermot Employees
2.4 billion Gross Asset Value*
Our People

The Dermot management team has diverse experience in real estate finance, investment, property management and redevelopment. We are unified in our commitment to providing an outstanding residential experience for our residents and attractive returns to our investors. The Dermot Company recognizes that gender diversity is essential as we grow and strive to perform at the highest caliber. We are committed to supporting, developing and retaining talented women who are integral to the company’s continued success.

Our Vision

The Dermot Company is recognized by our residents, industry, and the community at large as a best-in-class, high-end, multi-family residential real estate company.

Commitments to Stakeholders:

- Drive exceptional standards when building, acquiring, and managing our properties
- Provide residents with a safe and happy environment and a living experience that promotes diversity and inclusion
- Reduce the impact that our properties have on the environment through lower resource consumption and reduced pollution production
- Strengthen company culture with enhanced training, leadership development and communication
- Grow our geographical footprint in the New York City metro area and Southeast through the acquisition and development of new properties and new property management opportunities
- Broaden and diversify our capital base, capitalizing for growth more strategically and efficiently, and expanding Dermot’s reputation beyond a “NY company”

Our ESG Commitment

Dermot is committed to incorporating environmental, social, and governance criteria in its real estate business, including efforts to reduce carbon dioxide emissions in line with the relevant international standards and principles applicable to our business. As we set ESG goals for our organization, we intend to monitor our progress against these goals.

Throughout this process, we will engage our stakeholders on our ESG advancements by publishing public reports and submitting annually to GRESB’s Real Estate Assessment. Ultimately, we continue to realize the potential value that ESG performance improvements and other operational efficiencies presents to our business.

AVERAGE YRS WORKED:

- Leadership: 4.08
- Corporate: 5.75
- Leadership: 7.67
- Corporate: 2.05

MALE FEMALE
When faced with unprecedented challenges posed by the global pandemic, Dermot acted swiftly to meet the changing needs of our stakeholders. It has been imperative for us to honor our commitments to residents, employees, and investors in doing our part to keep New York City a great place to live and work. We have been working tirelessly to refine our programs, operations, and services to uphold Dermot’s exceptional standards while prioritizing new safety measures that ensured the well-being of our residents and employees. Our properties continue to benefit from enhancements put in place as a response to the pandemic. We are devoted to ensuring our COVID-19 related improvements will strengthen our communities going into the future.

Senior leadership was and continues to be in constant communication with all stakeholders to meet changing needs as the pandemic evolves. The Dermot Company will remain committed to prioritizing the health and wellness of our teams, tenants, and vendors going forward.

To improve communication with our employees during the 2020 pandemic, we hosted weekly company-wide conference calls to discuss their questions, concerns and measures we were taking to protect their safety. Dermot implemented several initiatives to reassure Dermot employees that their safety was our priority. This includes:

- **Hybrid work model:** We divided our personnel into two teams which allowed our employees to work separately while performing all company activities.
- **Private Transportation:** Dermot also added a per diem private transportation reimbursement for each worker if they prefer to use private transportation rather than our public systems.
- **Flexibility:** We made special arrangements for any employee who had specific needs at home such as child care or infirmed family.
- **Sick Days:** We committed to supporting our employees with a flexible approach to time off/sick days for anyone who was personally affected by the illness.
- **Vacation Days:** We allowed all employees to roll over 5 days of vacation that they may not have had the opportunity to take in 2020.

In order to meet the challenge of Covid-19, we have incorporated and invested in new practices and procedures to ensure our buildings are safe for our residents and community. Outlined below are all the new safety measures we have put into place:

- **Manual:** The Dermot Company property staff was issued a Covid-19 manual for policies and procedures to follow as they navigated managing properties through the pandemic.
- **Air purification:** New high-quality air filters or ultraviolet lights combined with greater outdoor circulation had provided increased air purification in our common areas.
- **Staff health monitoring:** Building staff were screened daily to ensure they were in good health before reporting to work.
- **Expanding cleaning team:** Additional cleaning staff at each building were engaged to provide deep cleaning.
- **More frequent cleanings:** Common areas in all of our buildings were cleaned on an enhanced schedule to ensure they were cleaned with greater frequency.
- **EPA certified disinfectants:** All of our cleaning protocols included EPA-listed products proven to work against Covid-19.
- **Sanitizer on hand:** Touchless hand sanitizer stations were placed where you need them in high traffic areas like lobbies, elevator banks, and amenity spaces, so they were always in reach.
- **Elevators:** Elevators at each property were cleaned more frequently, and newly installed nanotech in elevators were outfitted with self-cleaning surfaces.
- **Signage:** Our signage communicated important Covid-19 prevention information to residents. Guidance on how to appropriately social distance were places throughout our buildings.

In support of our residents, we have maintained a consistently high-level of communication. Our teams are accessible and informative. Residents have been advised of best practices if they had to quarantine, COVID-19 facts, cleaning protocols, updated protocols regarding staff interactions and usage of amenity spaces. All amenity spaces were closed during the height of the pandemic and all social and fitness events were cancelled. We also created an electronic marketing brochure for residents and prospects highlighting Dermot’s safety measures and innovative programming for a new post-Covid world. The Dermot Company’s EOS Club, our exclusive amenity and engagement membership club, hosted frequent virtual and outdoor events to entertain our residents and foster a sense of community. We closely follow all NYC laws and guidelines for supporting our residents through this tough time, including waving of late fees, allowing application of security deposit to rent, creating a Rent Deferral Request program, and sending residents relief resources.

Our focus on safety continues even as Covid-19 rates decrease. Our communities are stronger, safer, and more comfortable. We look forward to applying all of the lessons learned this past year as the world continues to recover.
Buildings have an inherent impact on the environment and our local communities. At The Dermot Company we have structured our business around investing, building, and operating our portfolio in a responsible manner. We have built a business on the foundations of hard work, exceptional service, collaboration, and accountability and it is our commitment to corporate responsibility that drives us to create beautiful spaces that have a positive impact on the local community. The Dermot Company has built out a robust environmental, social, governance (ESG) program that focuses on the management and operations of our portfolio. We aim to drive our energy and water consumption down, concentrating on our portfolio’s carbon impact, while also striving to engage our stakeholders in our ESG mission. We partner with like-minded organizations on joint ventures to ensure we meet our sustainability goals while also growing our reach through development and acquisitions. Since the beginning of our program, The Dermot Company has integrated the company’s ESG goals in our day-to-day operations, providing a healthier living space for our customers and reducing operating costs. Throughout our company, we are committed to complying with, and often exceeding, applicable regulations. The end-result is a realistic, strategic, and iterative program that reduces operating costs for us and our partners, while improving our impact on both the environment and the communities we operate in. As we build our ESG strategy, we continuously realize the impact ESG performance and operational efficiency improvements have on our business. There is real value in our ESG strategy, and we look forward to seeing all of the positive results that our ESG work will bring us in years to come.

**Investment Strategy**

The core of The Dermot Company’s investment strategy is the acquisition and redevelopment of multifamily properties on the east coast of the United States. An integration of our ESG strategy into the investment process is critical to ensuring we are making responsible decisions from the very start. Climate change risks, carbon emissions, and utility consumption have a growing impact on property values, so therefore these issues are critical to our company’s financial performance. Investors are increasingly concerned about ESG risk factors, and they are constantly looking to make investment decisions that reflect the ESG values of their own organizations. For these reasons, it is critical for The Dermot Company to be a leader in sourcing responsible property investments and continue sustainability driven improvements to our current assets. The Dermot Company has undertaken significant capital investments aimed at reducing energy consumption and curbing emissions at our properties, including installing building management systems where feasible, energy efficient lighting fixtures, and low flow water fixtures. We have also performed climate change risk assessments at select properties to learn in part how to mitigate financial risks posed by climate threats. Effectively managing emissions, efficiency, and climate risk is crucial to ensuring the value of our assets. Engaging in responsible property investment will reduce risk for our investors and ensure new acquisitions reflect our commitment to achieving our ESG goals.

**GRESB**

About GRESB Reporting: The Global Real Estate Sustainability Benchmark (GRESB) is the investor driven global ESG benchmark and reporting framework for companies with listed property, private property funds, developers, and investors that invest directly in real estate. The assessment is shaped by what investors and the industry consider to be material sustainability issues in the performance of real estate investments. GRESB informs us on the industry best practices and strategies, and in turn, work to integrate these ideals into our policies and programs. In 2018, The Dermot Company responded to GRESB for the first time and received a score of 48 (out of 100). In 2019, we improved our score by 13 points, scoring a 61. And in 2020, we received a score of 65, improved by 4 points from the previous year, with a score of 61. We will continue to use GRESB as a tool to drive our ESG strategies and performance.
ESG Goals

Environmental

Achieve annual carbon neutrality
Has been achieved for the 2020 reporting year through onsite energy efficiency improvements as well as the purchase of Renewable Energy Credits (RECs) and carbon offsets.

Achieve year-over-year energy and water use reductions

Provide composting services where available

Install energy efficient lighting in all future, major renovations and construction projects

Reduce unnecessary energy usage by programming thermostat settings in all common areas to be at comfortable temperatures, not over heated or over cooled, and utilizing night setback modes to reduce energy usage at night

Implement smart technology to reduce peak electricity usage, where possible

Upgrade BMS controls and other mechanicals to reduce energy use

Certification Strategy:

The Dermot Company is looking to expand our certification reach in 2021. Our goal is to pursue green building certifications aimed at improving operational efficiency. Particularly, we will be pursuing the IREM Certified Sustainable Property (CSP) designation for existing buildings, helping us extend our sustainability program and recognition across our portfolio. In 2022 and 2023, we aim to certify our buildings through leading health and safety benchmark programs.

Conduct baseline indoor air quality testing and I-BEAM audits in the common areas and mold inspections throughout all assets

Set water usage performance targets for all assets

Perform waste audits at select lower-performing properties to characterize their waste streams

Analyze results of waste audits and determine building recycling rates

Develop improved signage addressing items that are found in contamination waste to better educate occupants and reduce contamination rate

Develop a short-term implementation plan for mitigation risk at assets with the highest risk

Develop a long-term implementation plan for all other assets

Social

Support and educate our residents to allow them to help The Dermot Company achieve our goals and targets

Create a Green Resident Guide and incorporate ESG-specific lease clauses

Promote diversity across the entire organization

Promote employee involvement in ESG initiatives

Create a Health & Wellness Guide for our residents and employees

Continue to support worthwhile causes and promote a spirit of social responsibility to our residents and employees

Education and directing of teams through evolving guidelines

Develop sustainability due diligence criteria as a best practice

Addressing water leaks and drips to promote conservation of water in our buildings

Install high efficiency low-flow fixtures or retrofit low-flow aerators/fixtures where appropriate and economically feasible

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We have built a business on the foundations of hard work, exceptional service, collaboration & accountability...

**Overall Goal**

**Align** our ESG initiatives with the UN Sustainable Development Goals and measure and monitor our contribution to these goals going forward.

**Governance**

- **Organize** a ‘green team’ to integrate sustainable practices and resource conservation in research, education, events, and operations to reduce employee and residential impact on the environment
- **Promote** greater focus on sustainability and make progress on initiatives
- **Promote** greater transparency through increased reporting to external partners
- **Promote** a safe, inclusive environment and release an official diversity and inclusion statement
- **Invest** in tools and programs to educate and support
- **Monitoring** diversity of our governance bodies and employees
- **Incorporate** climate change risk assessments into the acquisition due diligence process

**Monitor** the health and well-being of our employees and residents through engagement surveys

**Create** a Green Cleaning Guide to minimize resident and employee exposure to any harmful chemicals

**Regularly issue** sustainability surveys to all residents at each asset to gauge their interest and overall knowledge around energy, water, waste, emissions, air quality, and other environmental and well-being related topics

**Provide** hands-on workshops and address resident questions and concerns around energy, GHG emissions, water and waste

We have built a business on the foundations of hard work, exceptional service, collaboration & accountability...
ESG Team

The Dermot Company’s ESG Team was formed to implement our sustainability program and ensure adoption of our strategy throughout the company’s various departments. The Dermot Company has also engaged CodeGreen Solutions, a national leader in sustainability and energy efficiency as well as Logical Buildings, a smart building and software solutions company, to support us in advancing our sustainability initiatives in reducing energy and operating more efficiently through data-driven analytics.

Alissa Hazan
Director of Portfolio Operations & General Counsel, Head of ESG

Jane Cohen
Vice President, Property Operations, Marketing and Communications

John Lanzetta
Operations Analyst, Research & Analysis

Hayley Gordon
Residential Lifestyle Manager, Employee & Resident Outreach
Data management coverage:

Our environmental data tells the story of our sustainability efforts and sustained progress. Understanding and tracking the environmental performance of our buildings holds us accountable and pushes us to reach for bigger goals. As such, we treat the measurement of our sustainability and consumption data very seriously. We are working to track all available energy and water data for the portfolio. Working closely with our consultant, CodeGreen Solutions, most of the properties in our portfolio receive annual scorecards displaying monthly electricity and water consumption and comparing monthly performance metrics to prior years. We track our energy and water consumption through ENERGY STAR Portfolio Manager. Additionally, our data management platform provides advanced optimization, real-time metering, and monitoring. By tracking our environmental performance, we are able to identify opportunities for improvement and therefore able to uphold our commitment to our ESG goals.

Sustainability Performance

**Energy Data**

**Water Data**

**GHG Data**

**Absolute Water Data**

**Absolute Energy Data**

**Energy Intensity**

**Water Intensity**

*Limited availability of waste data for properties serviced by New York City.

*Energy intensity calculated only for properties with aggregate energy data available
Sustainable Operations

The Dermot Company’s business was established by offering spaces that are built for living, so it is critical for our organization to maintain the ability to offer class-leading residential spaces even as climates and communities change. The management and ongoing operations of our standing assets represents a tremendous opportunity for The Dermot Company to engage in efficient practices. As we establish priorities, responsibilities, and timelines for our goals, we believe the management of standing assets can be optimized to achieve efficient use of resources, resiliency, adaptation to climate change as well as minimization of GHG emissions, water, and waste. Together, these initiatives will help ensure that asset operations and maintenance function as active drivers of The Dermot Company’s commitment to providing exceptional living spaces for today and tomorrow.

Driving change and achieving material gains in real estate environmental performance requires close collaboration and a continuity of effort among all links in the chain – from corporate management to property managers, building staff, vendors, and residents. The Dermot Company’s corporate sustainability team shall be primarily responsible for administering the Sustainability Operations and Maintenance Guidelines on a programmatic level, including:

- Ensuring property management teams are informed of and trained on all applicable policies
- Tracking progress towards portfolio-level goals
- Communicating progress and achievements internally
- Performing periodic updates and communicating updates to property managers and other parties

Carbon Neutral

In 2019, The Dermot Company set forth a rigorous goal of having our portfolio completely offset to achieve carbon neutrality. Carbon neutrality refers to the process of balancing out the CO2 released into the atmosphere from a company’s activities by removing or eliminating an equivalent amount of CO2. We are proud to announce we have completed this goal and we are officially carbon neutral. Our 2020 emissions are completely offset through the purchase of renewable energy credits (RECs) and carbon offsets.

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Environmental Case Study

LL97 Case Study

New York City has passed the 2019 NYC Carbon Emissions Limits Law (LL97). LL97 is part of the Climate Mobilization Act that will place carbon caps on NYC buildings larger than 25,000 square feet starting in 2024. In efforts to meet our energy and GHG reduction goals as well as comply with LL97, The Dermot Company has commissioned technical reports on select New York City assets. The purpose of these reports is to identify energy conservation measures and develop strategies to comply with future targets through energy reductions and renewable energy sources. The completed report for The Kestrel, located at 33 Caton Place, identified five retro-commissioning measures and ten energy conservation measures that would increase the operational efficiency of this property and reduce energy spending. If the efficiency strategies outlined in the report are implemented, The Kestrel can be expected to reduce or eliminate carbon emissions fines from LL97 that will start in 2024. Of these measures, five have been identified to make meaningful progress towards the goal. Two of these items have a payback period of 0.1 years and can be completed by a regular technician. One of the five main items identified is the ability to install photovoltaic (solar) panels on the roof of this property. Inspection has revealed ample rooftop space for the units. The report also provides different pathways for ownership and installation. The implementation of just five identified measures projects the property’s GHG emissions to be significantly below the LL97 2030 limit. The Dermot Company will continue to pursue energy and GHG reduction targets as well as comply with current and future climate change regulations.
Environmental Plans and Policies

The Dermot Company has worked to align our environmental design, operations, and management policies with the best-in-class third-party standards (LEED, GRESB, Local Codes), while modifying them to be both realistically implemented and forward-looking. This balance of aspirational and actionable is what makes our policies unique. Below is a list of our current plans, policies, and guidelines that keep our portfolio operations driving toward success:

**Energy and Greenhouse Gas Management Policy**

**GOAL**
Shrink the energy and carbon footprints of properties wherever feasible to play our part in the environmental stewardship required of multifamily real estate.

**ACCOMPLISHMENTS**
- Trained all property managers on monitoring utility consumption in ENERGY STAR Portfolio Manager
- Standardized energy and GHG emission metrics and reporting cycle across all assets
- Set energy and GHG emission performance targets for all assets
- Began assessment of all NYC assets on compliance with the 2024 targets set by 2019 NYC Carbon Emission Limits Law (LL97/2019) and develop strategies to comply with future targets
- Began performing ASHRAE Level II Energy Audits at all assets with an ENERGY STAR Score <50
- Reviewed whole-building energy and GHG emissions usage on a quarterly basis across assets with available utility data

**Indoor Air Quality and Green Cleaning**

**GOAL**
Minimize occupant exposure to a harmful and toxic environment during all hours of operation and managing assets in a new way that promotes clean indoor air quality through reducing sources of indoor air pollution

**ACCOMPLISHMENTS**
- Performed internal audit to ensure all assets are complying with all local and national regulations regarding Environmental Tobacco Smoke (ETS) and Pest Management
- Implemented Integrated Pest Management (IPM) practices at all assets
- Began implementing green cleaning program to reduce exposure to toxic chemicals

**Water Management**

**GOAL**
Conserve water and implement efficient practices to reduce the water footprint of properties.

**ACCOMPLISHMENTS**
- Standardized water usage metrics and reporting cycle across all assets
- Trained all property managers on monitoring utility consumption in ENERGY STAR Portfolio Manager
- Began tracking available building water usage data in ENERGY STAR Portfolio Manager and eligible buildings have Water Scores.
- Fixed identified Leaks and reduce water losses
- Began practice of installing high efficiency low-flow fixtures or retrofit low-flow aerators/fixtures where appropriate and economically feasible
Waste Management

GOAL
Minimize waste generated and reducing our environmental footprint.

ACCOMPLISHMENTS
- A review of DSNY waste and recycling programs found all assets in compliance with DSNY regulations
- Enrolled all eligible assets in the DSNY “Brown Bin” Curbside Composting Program
- Enrolled all eligible assets in the DSNY “RecycleNYC” Electronic Waste Collection Program
- Enrolled all eligible assets in the DSNY “re-fashionNYC” program
- Actively working to collect all available waste data

Risk Management and Climate Change Resiliency

In the wake of climate change, there are many physical and social risks that are being posed upon our society. When considering these risks, The Dermot Company takes a cautious approach. The goal of our Climate Change and Resilience Policy is to identify the risks that pose the greatest threats to our stakeholders and plan for them. By performing climate change risk assessments for each of our assets, we can create comprehensive plans for navigating each risk responsibly. We develop short-term and long-term mitigation plans that are tailored to each risk and identify how these risks could affect each of our stakeholders.

Climate Change and Resilience Risk Assessment

ACCOMPLISHMENTS
- Conducted climate change risk assessments at select existing assets

GOAL
Recognize and plan for the risks that climate change poses of the real estate sector, to the communities where we operate, and to our residents.
Environmental Building Case Study

21 West End Avenue

Year Built  2013
Gross Area  756,187 SF

Background

21 West End is a residential building in the heart of Manhattan. It is the first of five towers to be completed in the Riverside Center development. The 35-floor building hosts more than 35,000 SF of amenity space for residences and houses retail and dining on the ground floor to support the vibrant local community. Additionally, the project includes a new public-school facility to add to the local education options.

Environmental Performance

During the 2019 – 2020 performance years, 21 West End’s ENERGY STAR score improved by 22 points due to a 15% reduction in energy usage. This improvement is attributable to annual benchmarking and energy auditing, implementation of SmartKit AI, as well as the implementation of Operations & Maintenance plans to support high efficiency operations. This type of discretionary oversight and the identification of Energy Conservation Measures were implemented to reduce the usage specifically around electricity and district steam. The end result is an optimally performing building that is working towards the goal of performing under their GHG Limits and Emissions for Local Law 97 through 2034.

SmartKit AI

In 2019, The Dermot Company implemented SmartKit AI, a NYSERDA qualified real-time energy management and smart building software platform at 21 West End Ave. Leveraging SmartKit AI, from 2019-2020 The Dermot Company reduced peak electricity usage by 19% and cumulative electricity usage by 11%. In addition, 21 West End Ave provides over 100kW of virtual power plant capacity to Con Edison and the NY state grid, helping to eliminate the most polluting power plants from running in NY. In 2020, The Dermot Company elected to implement a full BMS Controls and Steam PRV upgrade (retrofit existing pneumatic steam station with direct digital controls) which is projected to reduce steam usage in the building by 30%.
People are the heart of what we do. Our employees, residents, clients, investors, vendors, and our communities have a significant impact on our sustainability initiatives. The Dermot Company believes that health & wellness, social responsibility, diversity & inclusion as well as stakeholder engagement are critical to the success of our business.

Stakeholder Engagement:
The Dermot Company takes tactical measures to incorporate the interest of our stakeholders into our ESG strategy. Our employees, residents, investors, vendors, and community members are directly impacted by the work we do, so we take critical actions to make sure we understand and communicate effectively with these groups.

Sustainable Engagement Policy

GOAL

Our goal is to engage and educate our residents and other key stakeholders to strengthen community relations and improve the reach and impact of our environmental stewardship programs.

ACCOMPLISHMENTS

• Held in-person residents sustainability engagement events to educate tenants and help our community
• Sent out communication to all residents & employees with guidance, news and tips related to energy/GHG emissions/ water usage and waste reduction, diversion and disposal
• Monthly E-blasts & social media posts with tips and facts on sustainability
• Partnership with GROWNYC to set up the Recycling Zero Waster Program which included a Recycling Outreach Information Session and provided free kitchen bins to our residents

Dermot’s EOS Club:
The Dermot Company opened its first EOS Club location in 2014 at 66 Rockwell. The EOS Club started as a residential amenity club that offered our residents programmed activities, events and discounts for local vendors and organizations. Today, EOS supports our properties and employees by cultivating community through high-quality service and unique experiences for our residents and staff. They are essential to advocating for health and wellness, planning sustainability programming and helping The Dermot Company build strong and resilient communities. The Dermot Company’s EOS Club also leads the efforts behind our giving and charity work through our Dermot Cares initiative.

Staying Active:
Keeping fit is key to personal health. The fitness centers in our buildings help us promote health & wellness to our residents and employees. In addition to state-of-the-art equipment, The Dermot Company offers a variety of in-person fitness classes including yoga, core strengthening, bootcamp, self-defense and boxing classes. Even through the pandemic, while fitness centers had to be closed, The Dermot Company’s EOS club continued to engage our communities through virtual fitness classes.

Employee Wellness & Support:
Employee wellness impacts the culture and productivity of an organization. In 2020, The Dermot Company’s EOS Club began publishing “WellNews”, The Dermot Company’s health & wellness newsletter for our employees. By providing easy and helpful tips focusing on mental & physical wellbeing as well as quality of life, The Dermot Company is striving to reduce employee absenteeism, increase motivation, enhance employee decision making, improve morale, and create a healthier workforce and environment.
Prior to the pandemic, The Dermot Company also supported the wellness of our employees through Breakfast Boost Tuesdays and Healthy Lunch Fridays, buffet-style catering that provided healthy breakfast options. We look forward to resuming this programming when we can safely do so.
Employee Engagement:

The Dermot Company is comprised of incredibly talented and genuine individuals from varied backgrounds, both personally and professionally. The Dermot Company is committed to supporting the personal growth of our employees. Dermot University, our initiative to empower employees through additional training, offers classes by both internal and external contributors on a wide range of topics including accounting, excel, real estate investing, mold, google capabilities, and more! Through our partnership with ADP TotalSource ("ADPTS"), a Professional Employer Organization, The Dermot Company employees have access to health benefit packages that include medical, dental, vision, life, and long-term disability insurance. Additionally, employees have access to numerous perks, including employee discounts and a free Employee Assistance Program that provides voluntary, confidential counseling, and access to legal and financial advice. Through Mercer, an ADPTS partner, employees can elect supplemental benefits including short-term disability, pet insurance, additional life insurance, and legal services. Employees also have access to free and low-cost training options in numerous areas of employee development and compliance disciplines via the online iLearn portal.

Community Engagement:

The Dermot Company believes in giving back and making a positive impact on our communities. Since 2019, The Dermot Company has donated a total of over $70K for charities such as Bard Prison Initiative, Equal Justice Initiative, Audre Lorde Project, Lower Eastside Girls Club, The Brooklyn Rail, Boys and Girls Club, Together We Rise, Homeless Shelters in NYC and Brooklyn, LaSalle Academy, Second Chance Programs, and the healthcare industry.

In 2020, our initiatives included:

PB&J Sandwich Charity Drive: In March, The Dermot Company’s EOS Club set up events at properties and supplied residents with materials to make PB&J sandwiches, fruit, and snack boxes for homeless shelters. We donated the items at the end of each night to local homeless shelters.

Dermot Justice Initiative: In June, The Dermot Company and the partners at The Dermot Company created a triple-impact donation program as a response to social justice movements across our nation. All donations made during a one week period in June by The Dermot Company employees or any employees of Able or Planned who work at The Dermot Company buildings were matched 2-for-1 by Dermot and its senior leadership team. The donation recipients were: Equal Justice Initiative, Bard Prison Initiative, Audre Lorde Project, Lower East Side Girls Club (June 2020).

Support for Health Care Workers: In September, The Dermot Company showed our appreciation for our residents in the medical field during the pandemic. We created and packed care packages to The Dermot Company health care workers along with hand-written ‘thank you’ notes.
Social Case Study

As part of our ongoing commitment to employee satisfaction, The Dermot Company conducted an anonymous survey to understand employee priorities, concerns, and suggestions. For 75% of the survey, statements were made and the employee had to rank the strength with which they agreed with the statement. The other quarter were open-ended questions where substantive feedback could be provided. Questions were posed based on the following topics:

- Vision, Mission and Goals
- Management and Leadership Support
- Performance Management
- Job Satisfaction
- Rewards and Recognition
- Training and Development
- Communication
- Teamwork and Colleague Interaction
- Innovation
- Work Environment
- Service Quality
- Comp and Benefits
- Company Pride
- Sustainability
- General Satisfaction

In 2020, the senior leadership team reviewed results and identified pain points/opportunities for improvement. The following process was used to address the feedback:

- A communication was circulated to all staff summarizing feedback received (both positive and constructive), and outlining initiatives to address feedback.
- Senior leadership team established a plan to address concerns and implement improvements.
- The Dermot Company rolled out several initiatives on its own, but we also engaged organizational consultants to help our teams and leadership navigate the changes.
- The consultants conducted focus groups to further solicit employee feedback and engage employees in the process. The following topics were discussed:
  - Onboarding
  - Performance management
  - Communication
  - Diversity, Equity, and Inclusion
  - General feedback

The following initiatives were rolled out as the result of the employee satisfaction survey:

- Introduced Quarterly Dermot MVP – peer nominated award
- Dermot University – trainings provided primarily by The Dermot Company employees for The Dermot Company employees on topics that are relevant to career growth
- Entirely revamped review process, including setting company wide and individual goals
- Town Halls to provide transparent communication to employees, several times per year
- Leader chats – opportunity for employees to provide feedback on specific topics
- Performed compensation study – indicated majority of staff paid above market
- Overhauled onboarding process – now have consistent process with a variety of tools and resources for new employees

Results:

- People are excited about the various initiatives and feel valued and heard
- Employee morale is high
- Employees look forward to future changes
- The Dermot Company will conduct another employee survey in 2021 to re-evaluate employee engagement
We understand that transparency and integrity is important to our stakeholders. That is why we are taking steps to ensure we go in-depth into the different policies and plans that have a direct impact on our stakeholders. Our first sustainability report is a reflection of our commitment to transparency. It is our goal moving forward to continue reporting on ESG and how we are achieving our targets and initiatives.

Accomplishments:
- **Met the challenges of Covid-19** by successfully sustaining operations and leasing, maintaining The Dermot Company culture, and adopting a hybrid work model
- **Enhanced our culture and talent processes** including performance management, onboarding, communications, and compensation
- **Created a 2020 / 2021 roadmap** to define The Dermot Company’s path forward. As part of this work, Senior Leadership Team took steps to focus on leadership and team effectiveness and will continue to focus on clarifying roles and responsibilities, ways of working, and decision making at all levels of the organization.
- **Grew strategically** outside of New York. Acquired three properties in the Carolinas and opened a new Florida office.

Governance Structure:
The Dermot Company is led by a senior management team with diverse backgrounds and expertise.

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<th>Governance Structure</th>
<th>Governance Case Study</th>
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<td>The Dermot Company, LP</td>
<td>Diversity &amp; Inclusion:</td>
</tr>
<tr>
<td>Advisory Board (5 members)</td>
<td>At The Dermot Company, we believe that the individuality of each employee strengthens our company and we encourage everyone to bring their full, authentic selves to work each day. In order to make sure everyone feels safe to do so, we are committed to providing the tools and programs needed to educate and support our employees.</td>
</tr>
<tr>
<td>President &amp; CEO</td>
<td>Governance Case Study</td>
</tr>
<tr>
<td>NY Metro/Northeast Region</td>
<td>In the course of achieving our objective to ensure that we can always answer the question “How does Dermot do…”, and as The Dermot Company continued growing, it became appropriate to create a ‘Best Practices’ company policy and procedures manual. We partnered with Strategic Solution, a Grace Hill Company to form management, maintenance and leasing/marketing manuals. By utilizing their PolicyPartner cloud-based platform, we streamlined policy administration and in turn, improved our employee training, internal controls, efficiency in confirming processes, and reduced employee uncertainty. As we continue to expand this platform, we look forward to adding our Operations &amp; Management Sustainability guidelines as well our Sustainable Design &amp; Construction guidelines.</td>
</tr>
<tr>
<td>Florida Region</td>
<td>The construction of the manuals took several phases:</td>
</tr>
<tr>
<td>Finance, Accounting &amp; Reporting</td>
<td>• In February, 2020, a working session was held at The Dermot Company HQ, which brought together subject matter experts from across the company to help formulate policies. This also ensured buy-in from the employees who had not previously followed a policy manual.</td>
</tr>
<tr>
<td>Property Operations</td>
<td>• The operations team reviewed all policies and as an on-going process continues to work on compiling all attachments relevant to the policies.</td>
</tr>
<tr>
<td>Development and Construction</td>
<td>• In June, 2020, the Leasing, Management and Operations, Maintenance, Emergency, and Accounting manuals went live to the company employees.</td>
</tr>
<tr>
<td>Asset Management/Investments</td>
<td>• Moving forward, the operations team will continue to upkeep and improve the manuals. These are live documents that will grow and change with the company.</td>
</tr>
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About This Report

We are excited to share our first annual ESG report as an important step in our commitment to transparency as a part of our ESG program. This report references the Global Reporting Initiative (GRI) reporting standards – please refer to the GRI index on the following page. All data and information included in this report is representative of the 2020 calendar year.

GRI Index

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GRI 303: Water and Effluents 2018

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GRI 306: Waste 2020

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</table>
Third-Party Data Verification

From: Katya Issaeva, Justin Stephens, CodeGreen Solutions
To: Jane Cohen, The Dermot Company
Date: July 30, 2021
RE: Third Party Verification – Limited Assurance

Scope
CodeGreen Solutions has conducted an independent third-party review of The Dermot Company’s 2020 greenhouse gas (GHG) inventory with the intention of providing Limited Assurance of the submission’s accuracy and completeness. The scope of the review includes fuel, district steam and base building electricity, RECs, and tenant direct-meter electricity and emissions sources, as it applies to the selected reporting boundary of US operations under operational control. The objective of this Limited Assurance is to confirm data, controls, and processes supporting the Greenhouse Gas (GHG) emission calculations per The Dermot’s Company’s GHG assertion according to the procedures set out in ISO 14064-3 2019 and GHG Protocol. The goal is to provide Limited Assurance using an independent third-party team within CodeGreen Solutions. The scope of this verification included verification of 14 properties in the Dermot Company portfolio. This statement should not be relied upon to detect all errors, omissions, or misstatements that may exist.

Level of Assurance
Level of assurance is used to determine the depth of detail that a Verification Body designs into the Verification Plan to determine if there are material errors, omissions, or misstatements in a company’s GHG assertions. Three levels of review are generally recognized – Reasonable Assurance, Limited Assurance, and Checked Review. CodeGreen’s verification of the Dermot Company’s GHG Emissions Inventory for calendar year 2020 was constructed to provide Limited Assurance.

Roles and Responsibilities
CodeGreen assigned an independent internal team to perform Limited Assurance in accordance with ISO 14064 -3 2019 International Standard. The internal team performing this review has not contributed to the compilation of the Dermot Company’s 2020 performance summary. The verification team was chosen based on their competencies in understanding and calculating organizational greenhouse gas emissions, and in evaluating the effectiveness and accuracy of these statements. The GHG statement presented herein is the responsibility of the verification team. Additionally, an independent review of the verification plan, activities, and conclusion was performed. The independent review assessed the appropriateness of team competencies, whether the verification plan has been designed properly, whether all verification activities have been completed, significant decisions made during the verification, whether sufficient and appropriate evidence was collected to support the verification opinion, adherence to the ISO 14064-3 (2019) standard, and the final verification opinion.

Methodology
We completed our review in accordance with the ISO 14064 Part 3: Greenhouse Gases: Specification with guidance for the validation and verification of greenhouse gas assertions (ISO, 2019). As such, we planned and performed our work in order to provide Limited Assurance, rather than Reasonable Assurance or Externally Checked Review, with respect to the GHG assertion. We believe our work provides a reasonable basis for our conclusion.

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<tr>
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<tr>
<td>Waste Generation</td>
<td>Limited Assurance</td>
<td>January 1, 2020 - December 31, 2020</td>
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</table>

A materiality level of 5% was applied. The processes for performing the Limited Assurance of the submission are described as follows:

Energy Consumption Data
Energy data is entered into ENERGY STAR Portfolio Manager based on invoices provided directly by the utility. Natural gas, steam, and fuel oil data was calculated directly from utility invoices. RECs were calculated based on certificates provided by Summit Energy Services and applied as offsets from the total electricity consumption data in ESPM. All energy data underwent third-party checks to
C O D E G R E E N

ensure that data reported is as accurate and complete as reasonable. Based on CodeGreen’s Limited Assurance review, there is no evidence indicating that energy data submitted in public disclosures is not accurate and complete.

**GHG Emissions Data**

CodeGreen has reviewed applicable data and worked with the Dermot Company to prepare a GHG inventory following GHG Protocol Corporate Account and Reporting Standard Revised Edition guidelines. CodeGreen reviewed energy consumption data utilizing ENERGY STAR Portfolio Manager data and reported tenant sub-meter data to ensure proper allocation of fuel, district steam and base building electricity, and tenant direct-meter emissions across Scope 1, 2, and 3 GHG emissions in alignment with the GHG Protocol. Scope 1 emissions are classified as direct GHG emissions resulting from fuel oil and natural gas. Scope 2 emissions are classified as indirect emissions including electricity and district steam. Scope 3 emissions are classified as indirect emissions resulting from tenant direct and submetered energy consumption. RECs were calculated based on certificate provided by Summit Energy Services and applied as offsets from the Scope 2 emissions. Carbon offsets were calculated based on certificate provided by Summit Energy Services and applied as offsets from the Scope 1, Scope 2, and Scope 3 emissions. Emissions factors and Global Warming Potentials were also verified. Based on CodeGreen’s Limited Assurance review, there is no evidence indicating that GHG data submitted in public disclosures is not accurate and complete.

**Water Consumption Data**

CodeGreen has reviewed applicable water data in ENERGY STAR Portfolio Manager against utility invoices and worked with the Dermot Company to calculate absolute water consumption data for the portfolio of assets. Based on CodeGreen’s Limited Assurance review, there is no evidence indicating that water data submitted in public disclosures is not accurate and complete.

**Waste Generation Data**

CodeGreen has reviewed applicable waste data in ENERGY STAR Portfolio Manager against utility invoices and worked with the Dermot Company to calculate absolute waste generation data for the portfolio of assets. Based on CodeGreen’s Limited Assurance review, there is no evidence indicating that waste data submitted in public disclosures is not accurate and complete.

**Exclusions**

Any assets under development were excluded from verification.

**Summary of Assertion**

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<td>Types of Waste Sources Covered</td>
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</tr>
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**Verification Opinion**

Based on our Limited Assurance review of the organizational emission for The Dermot Company from January 1, 2020 to December 31, 2020, nothing has come to our attention which causes us to believe that the energy, water, and GHG assertion used in public disclosures is not presented fairly in accordance with the relevant criteria. The emissions were calculated in a consistent and transparent manner and were found to be a fair and accurate representation of the Dermot Company’s actual usage and were free from material misstatement.

**CodeGreen**

CodeGreen has verified a total of:

**The Dermot Company:**

- 10,935.76 metric tons of CO₂ equivalent (CO₂e) emissions
- 79,715 MWh of energy consumption
- 31,434.233 MWh of Renewable energy credits (RECs) generated offsite and purchased by landlord
- 910,427,124 cubic meters of water consumption
- 178 metric tons of waste generated at two properties

Based on the processes and procedures conducted, there is no evidence that the GHG statement:

- Is not materially correct
- Is not a fair representation of the GHG data
- Has not been prepared in accordance with the Greenhouse Gas Protocol

**Attestation:**

**Justin Stephens**

DevOps Administrator

**Katelyn Issaeva**

Sr. BI Developer

**Nishtha Ghosh**

Team Lead, Data Management & Business Intelligence